HB 2000 - S AMD 465 By Senators Fain, Nelson

ADOPTED 04/24/2015

1 Strike everything after the enacting clause and insert the 2 following:

3

4 "NEW SECTION. Sec. 1. A new section is added to chapter 43.06 RCW 5 to read as follows:

The legislature intends to further the government-to-government 7 relationship between the state of Washington and federally recognized 8 Indian tribes in the state of Washington by authorizing the governor to 9 enter into agreements concerning the regulation of marijuana. Such 10 agreements may include provisions pertaining to: The lawful commercial 11 production, processing, sale, and possession of marijuana for both medical purposes; 12 recreational and marijuana-related 13 activities; law enforcement, both criminal and civil; and taxation. The 14 legislature finds that these agreements will facilitate and promote a 15 cooperative and mutually beneficial relationship between the state and 16 the tribes regarding matters relating to the legalization of marijuana, 17 particularly in light of the fact that federal Indian law precludes the 18 state from enforcing its civil regulatory laws in Indian country. Such 19 cooperative agreements will enhance public health and safety, ensure a and well-regulated marijuana market, encourage 21 development, and provide fiscal benefits to both the tribes and the 22 state.

- NEW SECTION. Sec. 2. A new section is added to chapter 43.06 RCW 25 to read as follows:
- 26 (1) The governor may enter into agreements with federally recognized 27 Indian tribes concerning marijuana. Marijuana agreements may address

- 1 any marijuana-related issue that involves both state and tribal
- 2 interests or otherwise has an impact on tribal-state relations. Such
- 3 agreements may include, but are not limited to, the following provisions
- 4 and subject matter:
- 5 (a) Criminal and civil law enforcement;
- 6 (b) Regulatory issues related to the commercial production,
- 7 processing, sale, and possession of marijuana, and processed marijuana
- 8 products, for both recreational and medical purposes;
- 9 (c) Medical and pharmaceutical research involving marijuana;
- 10 (d) Taxation in accordance with subsection (2) of this section;
- 11 (e) Any tribal immunities or preemption of state law regarding the
- 12 production, processing, or marketing of marijuana; and
- 13 (f) Dispute resolution, including the use of mediation or other
- 14 nonjudicial process.
- 15 (2)(a) Each marijuana agreement adopted under this section must
- 16 provide for a tribal marijuana tax that is at least one hundred percent
- 17 of the state marijuana excise tax imposed under RCW 69.50.535 and state
- 18 and local sales and use taxes on sales of marijuana. Marijuana agreements
- 19 apply to sales in which tribes, tribal enterprises, or tribal member-
- 20 owned businesses (i) deliver or cause delivery to be made to or receive
- 21 delivery from a marijuana producer, processor, or retailer licensed
- 22 under chapter 69.50 RCW or (ii) physically transfer possession of the
- 23 marijuana from the seller to the buyer within Indian country.
- 24 (b) The tribe may allow an exemption from tax for sales to the
- 25 tribe, tribal enterprises, tribal member-owned businesses, or tribal
- 26 members on marijuana grown, produced, or processed within its Indian
- 27 country, or for activities to the extent they are exempt under state or
- 28 federal law from the state marijuana excise tax imposed under RCW
- 29 69.50.535 or state and local sales or use taxes on sales of marijuana.
- 30 Medical marijuana products used in the course of medical treatments by
- 31 a clinic, hospital, or similar facility owned and operated by a federally
- 32 recognized Indian tribe within its Indian country may be exempted from
- 33 tax under the terms of an agreement entered into under this section.

- 1 (3) Any marijuana agreement relating to the production, processing,
- 2 and sale of marijuana in Indian country, whether for recreational or
- 3 medical purposes, must address the following issues:
- 4 (a) Preservation of public health and safety;
- 5 (b) Ensuring the security of production, processing, retail, and
- 6 research facilities; and
- 7 (c) Cross-border commerce in marijuana.
- 8 (4) The governor may delegate the power to negotiate marijuana
- 9 agreements to the state liquor control board. In conducting such
- 10 negotiations, the state liquor control board must, when necessary,
- 11 consult with the governor and/or the department of revenue.
- 12 (5) The definitions in this subsection apply throughout this section
- 13 unless the context clearly requires otherwise.
- 14 (a) "Indian country" has the same meaning as in RCW 82.24.010.
- 15 (b) "Indian tribe" or "tribe" means a federally recognized Indian
- 16 tribe located within the geographical boundaries of the state of
- 17 Washington.
- 18 (c) "Marijuana" means "marijuana," "marijuana concentrates,"
- 19 "marijuana-infused products," and "useable marijuana," as those terms
- 20 are defined in RCW 69.50.101.

21

- 22 NEW SECTION. Sec. 3. A new section is added to chapter 69.50 RCW
- 23 to read as follows:
- 24 The taxes, fees, assessments, and other charges imposed by this
- 25 chapter do not apply to commercial activities related to the production,
- 26 processing, sale, and possession of marijuana, useable marijuana,
- 27 marijuana concentrates, and marijuana-infused products covered by an
- 28 agreement entered into under section 2 of this act.

- 30 NEW SECTION. Sec. 4. A new section is added to chapter 82.08 RCW
- 31 to read as follows:
- 32 The taxes imposed by this chapter do not apply to the retail sale
- 33 of marijuana, useable marijuana, marijuana concentrates, and marijuana-
- 34 infused products covered by an agreement entered into under section 2

- 1 of this act. "Marijuana," "useable marijuana," "marijuana concentrates,"
- 2 and "marijuana-infused products" have the same meaning as defined in
- 3 RCW 69.50.101.

4

- 5 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 82.12 RCW 6 to read as follows:
- 7 The taxes imposed by this chapter do not apply to the use of
- 8 marijuana, useable marijuana, marijuana concentrates, and marijuana-
- 9 infused products covered by an agreement entered into under section 2
- 10 of this act. "Marijuana," "useable marijuana," "marijuana concentrates,"
- 11 and "marijuana-infused products" have the same meaning as defined in
- 12 RCW 69.50.101.

- 14 **Sec. 6.** RCW 69.50.360 and 2014 c 192 s 5 are each amended to read 15 as follows:
- 16 The following acts, when performed by a validly licensed marijuana
- 17 retailer or employee of a validly licensed retail outlet in compliance
- 18 with rules adopted by the state liquor control board to implement and
- 19 enforce chapter 3, Laws of 2013, ((shall)) do not constitute criminal
- 20 or civil offenses under Washington state law:
- 21 (1) Purchase and receipt of marijuana concentrates, useable
- 22 marijuana, or marijuana-infused products that have been properly
- 23 packaged and labeled from a marijuana processor validly licensed under
- 24 chapter 3, Laws of 2013;
- 25 (2) Possession of quantities of marijuana concentrates, useable
- 26 marijuana, or marijuana-infused products that do not exceed the maximum
- 27 amounts established by the state liquor control board under RCW
- 28 69.50.345(5); ((and))
- 29 (3) Delivery, distribution, and sale, on the premises of the retail
- 30 outlet, of any combination of the following amounts of marijuana
- 31 concentrates, useable marijuana, or marijuana-infused product to any
- 32 person twenty-one years of age or older:
- 33 (a) One ounce of useable marijuana;
- 34 (b) Sixteen ounces of marijuana-infused product in solid form;

- 1 (c) Seventy-two ounces of marijuana-infused product in liquid form; 2 or
- 3 (d) Seven grams of marijuana concentrate; and
- 4 (4) Purchase and receipt of marijuana concentrates, useable
- 5 marijuana, or marijuana-infused products that have been properly
- 6 packaged and labeled from a federally recognized Indian tribe as
- 7 permitted under an agreement between the state and the tribe entered
- 8 into under section 2 of this act.

9

- 10 **Sec. 7.** RCW 69.50.363 and 2013 c 3 s 16 are each amended to read 11 as follows:
- 12 The following acts, when performed by a validly licensed marijuana
- 13 processor or employee of a validly licensed marijuana processor in
- 14 compliance with rules adopted by the state liquor control board to
- 15 implement and enforce chapter 3, Laws of 2013, ((shall)) do not
- 16 constitute criminal or civil offenses under Washington state law:
- 17 (1) Purchase and receipt of marijuana that has been properly
- 18 packaged and labeled from a marijuana producer validly licensed under
- 19 chapter 3, Laws of 2013;
- 20 (2) Possession, processing, packaging, and labeling of quantities
- 21 of marijuana, useable marijuana, and marijuana-infused products that do
- 22 not exceed the maximum amounts established by the state liquor control
- 23 board under RCW 69.50.345(4); ((and))
- 24 (3) Delivery, distribution, and sale of useable marijuana or
- 25 marijuana-infused products to a marijuana retailer validly licensed
- 26 under chapter 3, Laws of 2013; and
- 27 (4) Delivery, distribution, and sale of useable marijuana, marijuana
- 28 concentrates, or marijuana-infused products to a federally recognized
- 29 Indian tribe as permitted under an agreement between the state and the
- 30 tribe entered into under section 2 of this act.

31

32 **Sec. 8.** RCW 69.50.366 and 2013 c 3 s 17 are each amended to read 33 as follows:

The following acts, when performed by a validly licensed marijuana 1 2 producer or employee of a validly licensed marijuana producer in 3 compliance with rules adopted by the state liquor control board to 4 implement and enforce chapter 3, Laws of 2013, ((shall)) do not 5 constitute criminal or civil offenses under Washington state law: (1) Production or possession of quantities of marijuana that do not 7 exceed the maximum amounts established by the state liquor control board 8 under RCW 69.50.345(3); ((and)) (2) Delivery, distribution, and sale of marijuana to a marijuana 10 processor or another marijuana producer validly licensed under chapter 11 3, Laws of 2013; and 12 (3) Delivery, distribution, and sale of marijuana or useable 13 marijuana to a federally recognized Indian tribe as permitted under an 14 agreement between the state and the tribe entered into under section 2 15 of this act." 16 17 18 **HB 2000** - S COMM AMD 19 By Committee on Ways & Means 20 On page 1, line 3 of the title, after "marijuana;" strike the 21 22 remainder of the title and insert "amending RCW 69.50.360, 69.50.363, 23 and 69.50.366; adding new sections to chapter 43.06 RCW; adding a new 24 section to chapter 69.50 RCW; adding a new section to chapter 82.08 RCW; 25 and adding a new section to chapter 82.12 RCW." 26 --- END ---29 30

3233

34